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COUNTRY PROGRAMME FOR VIET NAM

UNDP assistance requested by the Government of Viet Nam for the period 1982-1986

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BASIC DATA

A. Geography

The Socialist Republic of Viet Nam has a land area of 329,566 kilometres. Sixteen per cent of the land area is cultivated, 35 per cent is under forest and 14 percent is pasture. The country is divided into three distinct geographic areas: the plains extending through the length of the country, with the Red River Delta in the north and the Mekong Delta in the south being the dominant parts; the highlands, consisting of the mountain ranges in the northwestern parts which continue southwards to central Viet Nam; and the sea coast which is more than 3,000 kilometres long. Administratively, the country is divided into 36 provinces and three cities.

B. Climate

In the north there are two seasons: winter, between November and April, with relatively low temperatures (average around 16°C) and low rainfall; summer, between May and October, with great heat, heavy rain and typhoons, which often cause floods. In the south the climate is of regular monsoon type with constant high temperatures (between 25° and 30°C), distinct monsoons and a regular rainy season. The humidity is high throughout the year and almost throughout the country.

C. Population

The population, as per the General Census of 1 October 1979, was 52.7 million, divided more or less equally between the northern and the southern parts of the country. The growth rate for the north has been estimated at about 2.5 per cent per annum, for the south at 3 per cent. Population density varies widely from the very heavily populated main river deltas (especially the Red River Delta), to the other coastal regions, which have moderate population densities, and the highlands with their scattered population. More than 50 per cent of the population is below 19 years of age. The male-female ratio is 48.5 to 51.5 and the urban-rural ratio 19.17 to 80.83.

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INTRODUCTION

1. The Programme of co-operation between Viet Nam and UNDP for 1982-1986 is the second Country Programme for the unified country. It is more than twice the size of the preceding Country Programme and is expected to represent a small but significant element in the overall development effort of the country.

2. The priorities and proposals for this Country Programme were determined by the Government in consultation with UNDP, on the basis of urgent development requirements such as those dictated by the new 1981-1985 development plan, taking into account the possibilities of the United Nations system and the availability of other sources of co-operation. Consideration was also given to the experience gained in the implementation of the previous Country Programme.

3. The Programme has been prepared through close co-operation between the State Planning Committee, the State Committee for Science and Technology, the Ministry for Foreign Affairs, the Aid Reception Committee and the technical ministries concerned. For the most important sectors, namely, agriculture, forestry, fisheries and industry, programming missions were organized with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO). These missions examined and, to some extent, elaborated on the proposals provided by the technical ministries and submitted through the State Planning Committee. Through UNDP, all United Nations Agencies were requested to provide suggestions for the new Programme. Such proposals as were received were discussed with UNDP and Agency missions and, to the extent practicable, have been taken into account in the formulation of the Country Programme.

4. As the number and amounts of the proposals from the various ministries far exceeded the available resources, they were ranked according to priority. The most urgent ones were accepted for the Country Programme, which is currently limited to 80 per cent of the total illustrative Indicative Planning Figure (IPF) for the third programming cycle (1982-1986), while a reserve list was established of projects for which the programming resources were not sufficient. The latter will be activated if more funds become available.

I. DURATION, TIME FRAME AND ANTICIPATED RESOURCES

5. The second Country Programme covers the five years 1982-1986 and thus coincides with the Third IPF cycle. It almost coincides with Viet Nam's new five-year State Plan for 1981-1985. The resources available for this Programme amount to $118 million. As of late 1980, the UNDP position was that only 80 per cent of the illustrative IPF could be programmed. The total amount to be programmed, within the limit of the yearly expenditure ceilings announced by UNDP, is therefore $94.4 million.

6. At the time of this writing, it appeared that there might be an under-expenditure of the 1977-1981 IPF of some $4.5 million. The principal reason for this is that the first Country Programme started late in the programming period. While these unspent funds will be available after 1981, they will all be required for those projects of the previous Programme for which they were originally allocated. Details on their use are included in the first Country Programme document.

II. DEVELOPMENT PERSPECTIVE

7. At the time when the present document was prepared, the new five-year State Plan for the period 1981-1985 was also under preparation. Since the Plan had not yet been formally adopted, its features and priorities could only be indicated in very general terms. They largely follow the lines of the previous Plan (1976-1980) which, because of various unforeseen circumstances, was underimplemented.

8. Viet Nam at present counts itself among the countries with the lowest level of economic development in the world. The per capita gross national product is estimated at less than $100 and, because of natural disasters and other factors, growth is at a low level in all sectors of the economy.

9. The principal development orientations are expected to be to:

(a) Develop agricultural production to guarantee the food supply;

(b) Develop production of clothing and essential consumer goods;
(c) Develop energy production (electricity, coal, petroleum, gas);

(d) Develop the production of raw materials and spare parts;

(e) Produce more and better goods for export;

(f) Improve the communications network and the management of transport;

(g) Increase the efficiency of scientific research and development and the application of its results to production;

(h) Develop culture, education, health work, family planning; reform teaching; train and use as best as possible scientific and technical staff; and

(i) Improve management in general and industrial management in particular.

Details of the activities foreseen under these orientations, as they apply to the projects included in the Country Programme, are given in the introduction to each sector.

III. DEVELOPMENT OBJECTIVES AND UNDP ASSISTANCE

10. The Country Programme and the projects contained therein have been conceived in the general context of these development orientations. The principal focus is on the two main objectives of increasing production of food and consumer goods.

11. Preparatory missions will be fielded to formulate projects in detail, on the basis of a careful examination of local capabilities and needs. The exact duration of each project, the exact UNDP and Government contributions, and the distribution of these contributions between training, expertise, subcontracts and equipment will be decided at that time.

12. In its development efforts, Viet Nam receives sizeable co-operation from the Union of Soviet Socialist Republics (USSR) and other socialist countries. In addition, Viet Nam has economic relations with many other countries. Assistance is concentrated on industry, agriculture, and health. Care has been taken to avoid overlap and duplication between projects receiving UNDP assistance and those receiving assistance from other sources. Whenever Assistance is provided in the same field, it will be carefully co-ordinated.

A. Agriculture, Forestry and Fisheries

13. Agriculture is by far the most important economic sector in Viet Nam. It is estimated that more than 70 per cent of the total population earns its income from agriculture, which contributes about 40 per cent to the national income. It is the main source of raw materials for the processing industries and a major contributor to exports. The predominant crop is rice, grown on over 5 million hectares.

14. During the last three decades, agriculture has been damaged by destruction and neglect of the irrigation and drainage infrastructure, loss of draft animals, destruction of equipment, defoliation of vast areas of forest and, above all, displacement of population and abandonment of agricultural land. The resultant problems are still very much present.

15. Adverse climatic conditions, particularly a drought which affected the northern provinces from August 1979 to February 1980, significantly reduced agricultural production. Tropical Storm No. 4 in July 1980 destroyed a significant percentage of the rice crop in the Red River Delta. The grain deficit for 1980 has been estimated at about 3 million tons equivalent of paddy. For 1979 the deficit was estimated to be about 2 million tons equivalent of rice, based on a consumption of 15 kilogrammes of rice per person per month.

16. Consequently, the Government attaches top priority to increasing agricultural production through expansion of the cultivated area, increased productivity, and improvement of existing and construction of new rice processing and storage facilities. A major share of the national budget continues to be set aside for agricultural develoment. The Government has launched a land development programme to extend the cultivated area as much as possible. About a hundred new irrigation projects have been planned and a considerable number of these projects are already underway. Due to the irregular and unpredictable climatic conditions, water management is considered by the Government as the corner-stone of its drive for crop diversification and increased output. Another important element is to step up the application of scientific and technical gains to the country's agricultural problems. The UNDP Programme has been especially directed towards this element.

17. In the forestry sector, a major problem is the reforestation of large areas totalling more than 10 million hectares, which were extensively damaged. Other problems are shifting agriculture and increasing population pressure on forest land. An increased supply of wood to the wood-based industries and as fuel is urgently needed. However, before any solutions can be found to the existing problems, much preparatory work must be done in soils science, the selection of species to be planted, methods of planting, soil protection and forest management. Furthermore, in the absence of a comprehensive forest inventory, little is known of existing forest resources.

18. Forestry is considered an area with great potential for production and for employment of a redundant work force in the plains. Close attention will be paid to the problem of watershed management, changing the present practices of nomadic hill tribes, the establishment of forest and forest-land co-operatives and stepping up the exploitation and processing of timber and other forest products. UNDP co-operation is oriented in large measure to the latter.

19. Geographical and climatic conditions in Viet Nam are very favourable to the development of fisheries. Fish is, after rice, the most important staple food, and the estimated annual production of 800,000 tons makes a substantial contribution to the protein supply. Sea fishing is carried on by about 250,000 fishermen. About 100,000 inland fishermen and fish farmers produce some 170,000 tons per year. Fish farming is widely practised with an annual average yield of 2-3 tons per hectare. The Government attaches special importance to fish and shrimp farming as an integral part of agriculture. Furthermore, it is anxious to accelerate the introduction of modern technology to increase catches and develop fish culture. UNDP co-operation in fisheries is oriented mainly towards training and research.

20. Many of the principal food and commerical crops in Viet Nam produce only low to average yields. The Government therefore wishes to reinforce its scientific research and production infrastructure to develop better varieties and growing methods. In the previous Country Programme an important project was started to strengthen the agricultural research system of the National Institute for Agricultural Science. For the new Country Programme, the strengthening of a number of institutions that specialize in practical research and development of one crop or production area is envisaged.

Projects

21. Research and Development of Maize Varieties. With the aim of producing high yielding varieties of maize and sorghum, the project is intended to strengthen the existing maize research station at Song Boi and help establish five regional stations. This network will produce sufficient elite seeds so that after multiplication, 80 per cent of the maize-cultivated and 50 per cent of the sorghum-cultivated areas can be provided with quality seeds. The station will co-operate with other institutions performing research on maize such as Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT). Estimated UNDP contribution: $1.8 million. Estimated Government contribution: 1.2 million Dong. Estimated duration: five years.

22. Research and Development of Vegetables. The climate in the north (during the winter season) and in certain mountain areas of the south is suitable for the cultivation of a wide variety of vegetables. UNDP is requested to support an institute for research and experimentation for vegetables, flowers, and fruits in Hanoi, to enable it to perform research on local and imported varieties, produce improved seeds for multiplication and improve production and distribution. Estimated UNDP contribution: $700,000. Estimated Government contribution: 1.7 million Dong. Estimated duration: three years.

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23. Research and Development of Sugar-cane. At present there are approximately 80,000 hectares planted with sugar-cane in Viet Nam; the Government wishes to raise this to 225,000 hectares by 1985. To this end, a research station is being established at Ben Cat and a testing station and factory at Dong Nai. The latter is being built in co-operation with the Government of Denmark, while UNDP is requested to help start a breeding and research programme to supply the seven sugar factories with cane over a longer period. Estimated UNDP contribution: $700,000. Estimated Government contribution: 1 million Dong. Estimated duration: three years.

24. Rehabilitation, Research and Development of Rubber In five provinces in the south there is a sizeable area (about 60,000 hectares) under rubber cultivation. Most of the trees, however, are neglected, over-exploited or damaged. In view of the importance of rubber in earning foreign exchange, the Government is giving high priority to rehabilitation, replanting and new planting. The project will assist the Rubber Research Institute, which will perform research on high yielding and disease-resistant clones and demonstrate the practicability of increased production through improved research, plant material, management and processing methods. Estimated UNDP contribution: $2 million. Estimated Government contribution: 2.5 million Dong. Estimated duration: five years.

25. Research and Development of Coffee. After rubber, coffee is Viet Nam's most important export crop; however, the areas in which it is grown are still limited, and research on improved varieties has hardly been undertaken. To help remedy this situation and contribute to the development of coffee production, this project will support existing research centres in Dac Lac province, breed insect- and pest-resistant varieties, train research and extension workers and technicians and demonstrate new techniques of coffee breeding and production. Estimated UNDP contribution: $1.6 million. Estimated Government contribution: 3 million Dong. Estimated duration: three years.

26. Research and Development of Coconuts. Coconuts grow along the entire southern coastline of Viet Nam (about 50,000 hectares), but most of the trees are in the final stages of production since maintenance and development were neglected during the war years. Replanting and new planting is considered of greatest importance by the Government, and UNDP assistance is requested in the establishment of four to six seed stations. Activities will include producing hybrid seedlings for large-scale planting and replanting on 200,000 hectares of land, introducing growers to modern farming techniques and technology, performing experiments with imported hybrid seed nuts and producing locally viable high quality seed nuts and seedlings in new nursery areas for distribution. Estimated UNDP contribution: $2 million. Estimated Government contribution: 4 million Dong. Estimated duration: four years.

27. Seed Production. While several new projects have been conceived to produce new seed strains for various crops , this project aims at strengthening the production and distribution system, especially for rice, in co-operation with the Central Seeds Agency of the Ministry of Agriculture. The focus will be on strengthening five state farms to become national seed production centres and on training the personnel of the Agency. It will also help draw up a national seeds plan, establish a more complete production and distribution infrastructure in the

south and centre of the country and convert the present national seed production centre, the Dong Van State Farm, into a pilot farm and permanent training centre for seeds technology. This project complements various research and development projects and is essential o ensure that the work of these projects benefits farmers country-wide. Estimated UNDP contribution: $3 million. Estimated Government contribution: 2.1 million Dong. Estimated duration: four years.

28. Plant Protection. The climates of Viet Nam greatly favour the proliferation of a variety of insects and other pests. Under the previous Country Programme, the project (VIE/79/001) was initiated to strengthen plant protection services throughout the country. It is proposed that this project be continued in order to strengthen the operational capability of the Plant Protection Department in preventing large-scale outbreaks of harmful pests, in establishing several new regional plant protection centres and in improving the five plant quarantine stations. Estimated UNDP contribution: $3 million. Estimated Government contribution: 5 million Dong. Estimated duration: four years.

29. Research and Development of Sericulture. Silk has been produced in Viet Nam for many centuries as a cottage craft. The industry, however, has remained at a low level of development and the Government wishes to intensify production on an industrial scale so as to supplement local availability of textiles, possibly produce for export and absorb underemployment in the rural areas. Part of the by-products are also to be used as a protein source for the people. Resources from the Country Programme will support the systematic modernization of processing facilities, improvement of mulberry tree cultivation, silkworm breeding, and the establishment of extension services and training programmes through the Central Research Station near Hanoi and the silkworm multiplication station in Mai Linh. Estimated UNDP contribution: $700,000. Estimated Government contribution: 500,000 Dong. Estimated duration: three years.

30. Veterinary Research and Vaccine Production. The Government has decided to intensify efforts to combat the most prevalent diseases affecting pigs, poultry and cattle, namely, swine fever, Newcastle disease and bovine tuberculosis. The project would seek to help control and eradicate these and other minor diseases and would also extend vaccine production in the southern part of the country. Estimated UNDP contribution: $3 million. Estimated Government contribution: 3 million Dong. Estimated duration: four years.

31. Milk Production. Milk production, trade and consumption have not traditionally been features of Viet Nam's agriculture or diet so the dairy industry is in the very early stages of development. The demand for milk is, however, increasing, particularly in urban centres and especially for children. In response, the Government undertook to establish, with bilateral assistance, a 20 ton per day milk processing plant at the Moc Chau State Farm, which started cattle rearing in 1965. Bilateral assistance, however, was discontinued in early 1979, before the project was finished. The Government now wishes to rehabilitate and complete it with UNDP assistance. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 3.2 million Dong. Estimated duration: three years.

32. Post-harvest Protection of Agricultural Food Products. It is estimated that up to 25-30 per cent of food crops are lost after harvesting. The Government, through the Ministry of Food and Food Production, is planning to reduce post-harvest losses to 18-20 per cent in 1985, to 12-15 per cent in 1990 and to about 10 per cent later. Such reductions would mean substantial gains in food tonnage, which would rapidly amortize the investments made in post-harvest protection, including those for rice mills and laboratories. Estimated UNDP contribution: $3 million. Estimated Government contribution: 5 million Dong. Estimated duration: five years.

33. Fresh-water Fish Culture and Production. Viet Nam, mainly in the two deltas, is rich in lakes, rivers, canals (with a total estimated area of 1 million hectares) and brackish-water swamps and estuaries. A project is planned to strengthen the Inland Fisheries Research Institute at Ho Chi Minh City, its major fresh-water culture station at Cai Be and other substations, to enable them to carry out massive seed-fish production to support fish farming and replenish depleted or declining stock in natural waters, thus stimulating more intensive exploitation for increased rural income and employment. The project will demonstrate improved technologies and provide practical training for field fisheries officers, fishery technicians and fish farmers. Estimated UNDP contribution: $800,000. Estimated Government contribution: 1 million Dong. Estimated duration: three years.

34. Shrimp Culture and Production. Under the previous Country Programme, the project (VIE/76/007) was started to strengthen the Shrimp Culture Research Institute near Haiphong to enable it to improve its research and culture activities. Because of difficulties in the provision of UNDP/FAO technical services and equipment, implementation was delayed. Estimated UNDP contribution: $200,000. Estimated Government contribution: 300,000 Dong. Estimated duration. one year.

35. Forest Engineering. Large forested areas in the upland regions of Viet Nam are subject to shifting cultivation, which leads to forest destruction and erosion. To stabilize cultivation and exploit the forests in an organized manner, an all-weather road system is indispensable. A project is therefore envisaged to strengthen the Forest Engineering Institute in Hanoi, established in 1977, to enable it to plan and construct forest roads, buildings and other structures and to perform research on local materials to be used for this purpose. The Institute is expected to plan and lay out 1000 kilometres of forest roads annually. Estimated UNDP contribution: $1.2 million. Estimated Government contribution: 800,000 Dong. Estimated duration: three years.

36. Forestry Training. There are two institutions in Viet Nam currently responsible for professional education and training in forestry. One is in Quang Ninh in the north, and one in Ho Chi Minh City in the south. While enough graduates are trained, the quality of training requires improvement. The Ministry of Forestry therefore wishes to reform professional forestry training and education and to establish manpower requirements for the forestry and forest industries sectors. As a first step in this direction, UNDP is requested to support a programme for in-service training of senior forestry personnel in forest inventory

and management, forest engineering, silviculture and forest products and industries. This may be followed in a later phase by an overall upgrading of the existing educational facilities. Estimated UNDP contribution: $500,000. Estimated Government contribution: 650,000 Dong. Estimated duration: three years.

37. Special Forest Products Research. The Ministry of Forestry wishes to strengthen its Special Forest Products Division to increase the production and improve the quality of stick lac for internal use and export and to establish production on a more industrial basis. So far, stick lac has been produced as a cottage type activity in upland areas. Field stations and extension services are to be established as part of a research programme on the producing insect, the host plant, methods of converting stick lac to its purified form of shellac and of an intensive production effort. Estimated UNDP contribution: $600,000. Estimated Government contribution: 1 million Dong. Estimated duration: three years.

38. Rehabilitation of Forestry Equipment. The equipment for timber transport and for most wood-processing industries is working far below its capacity due to lack of repair and maintenance facilities and spare parts; the situation is particularly critical in the south. The Government has requested UNDP assistance to establish repair and maintenance programmes and rehabilitate existing facilities. Estimated UNDP contribution: $3.5 million. Estimated Government contribution: 2 million Dong. Estimated duration: three years.

B. Natural Resources

39. In this sector the most important areas for development are water resources and mineral resources.

40. The rational utilization of water is a central priority since it is a precondition to expanding crop acreage, practising intensive farming, double cropping and soil improvement. Abundant resources of surface and ground water are available, including a large number of rivers, particularly in the Mekong and Red River Deltas, and heavy rainfall. In the mountain areas the many smaller rivers can be used to create artificial lakes through construction of dams, the geomorphological structure being favourable. Generally speaking, too much water tends to be available at certain times, while shortages occur in others. In the Red River Delta a system of dykes has had to be constructed to protect villages against flooding. The system reduces the amount of water for agriculture and of new alluvial soil, which regularly covered the fields but is now carried off to the sea. In some areas severe waterlogging occurs because of a lack of drainage. In other areas and seasons, extensive irrigation systems are necessary.

41. The principal problem is thus the management and optimal utilisation of the total available water resources so as to: (a) achieve a second harvest of rice and other cereals throughout the country and an increase in production of all other crops; (b) provide clean water for domestic use by a growing urban population and satisfy the increasing requirements of industry; (c) prevent catastrophic floods which regularly occur in the most fertile regions; (d) use water and soil in coastal areas threatened by salinization; and (e) produce more hydro-electric power.

42. Mineral resources are thought to be abundant, especially in the mountainous north. Exploration and exploitation, however, have been limited so far. Known deposits, partially exploited, include wolfram and tin, lead and zinc and silver, antimony, mercury, gold, magnetite, pyrite, nickel, manganese, bauxite, graphite, lignite, iron, titanium, molybdenum, apatite, kaolin and considerable reserves of coal. Oil has been discovered in the north and south (offshore) of the country and exploration is continuing. The Government has decided to step up activities in this field; new exploration efforts in various areas have been undertaken, while exploitation of known deposits is being intensified.

Projects

43. Water Management and Drainage. In the Red River Delta south of Hanoi, there is too much water during the rainy season. The rivers cannot cope with the huge quantity of rain water, yet an excess of water can mean the loss of the rice crop. The Ministry of Water Conservancy therefore wishes to review the overall water management plan for the area, including land use, agricultural development, and irrigation and drainage requiring a network of pumping stations. Estimated UNDP contribution: $8 million. Estimated Government contribution: 3 million Dong. Estimated duration: three years.

44. Hydraulic Research and Training. The Ministry of Water Conservancy wishes to strengthen its Institute for Hydraulic Science and Technology, established over 20 years ago, which conducts basic and applied research in hydraulic sciences and provides technical training. UNDP assistance is required by the Institute to strengthen these activities, especially in hydraulics, hydrodynamics, soil mechanics, rock mechanics, stress analysis, foundation problems and models. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 1.7 million Dong. Estimated duration: two and a half years.

45. Training in Hydraulics. The Ministry of Water Conservancy wishes to strengthen its training Institute for Hydraulic Engineers, which provides post-graduate training for civil engineers and hydraulic experts and performs research on water resources planning, hydraulic and hydrologic problems and issues connected with water control projects. Estimated UNDP contribution: $500,000. Estimated Government contribution: 400,000 Dong. Estimated duration: two years.

46. Feasibility Studies for Two Dam Sites. In the previous Country Programme, the project (VIE/76/003) was initiated to provide the material and technical basis for feasibility studies for four dams. The Ministry of Water Conservancy now wishes to extend this project to add feasibility studies for two dams at the Tri An site on the Dong Nai river (to irrigate some 20,000 hectares and produce 280,000 kilowatts of electricity) and a site on the Saigon river (to irrigate up to 60,000 hectares). Preliminary investigations of a site in the river might be included. Estimated UNDP contribution: $1 million. Estimated Government contribution: 2.3 million Dong. Estimated duration: two years.

47. Ground-water Exploration. In the previous Country Programme, UNDP co-operated in ground-water exploration, mostly in the north, under the project (VIE/76/004). The General Department of Geology is planning an extension of this project to carry

out a large programme of prospection and partial exploitation in the south and centre of the country, where an acute shortage of fresh water prevents the full use of potentially fertile but presently saline and acid lands. The project will also provide fresh water to the growing population in Hanoi and to new agricultural areas around the capital. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 7 million Dong. Estimated duration: three years.

48. Cartographic Services. The increasing number of new irrigation projects, particularly in the south, requires surveys and maps for which the technical capability does not at present exist. The Government therefore requests UNDP co-operation to strengthen the National Geodesy and Cartography Services to enable them to produce maps up to a scale of 1:2,000. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 2 million Dong. Estimated duration: two years.

49. Geological Research and Analysis. To support increased exploration of the country's mineral reserves, the General Department of Geology wishes to strengthen its Institute for Geology and Mineral Resources and the Centre for Geological Analysis in Hanoi. The combined institutions, with a total staff of 800, form the principal facility for geological exploration and research and analysis of geological samples. UNDP is requested to support the work in petrology, mineralogy, metals, construction and materials, physics, chemistry, microchemistry and mineral enrichment. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 3 million Dong. Estimated duration: three years.

50. Geothermal Resources Exploration and Exploitation. Viet Nam, located in the extension of the geothermal belt of the Western Pacific, is known to have a number of areas of geothermal activity. However, their systematic exploration has not yet been carried out; those studies which have been made focused on therapeutic aspects of the waters rather than on energy potential. The project will launch an exploratory survey of the known geothermal areas. If the results are positive, further assistance may be requested to study the feasibility of exploitation for energy production and a possible subsequent pilot production operation. Estimated UNDP contribution: $100,000. Estimated duration: six months.

51. Refining and Treatment of Tin Ore. Geological studies have indicated substantial reserves of tin, particularly in the north, but so far exploration, refining and metallurgical treatment have been very limited. It is now planned to undertake these activities on an intensive scale; however, the country lacks experience in the technologies for refining and treating the mineralogically very complex stanniferous minerals. The Government has therefore requested UNDP to co-operate in a study of the problems involved in order to expand production for local use and export four to five fold over five years. Estimated UNDP contribution: $500,000. Estimated Government contribution: 500,000 Dong. Estimated duration: five years.

52. Restoration of Power Generation Capacity. At present, the supply of electrical power, particularly in Hanoi and Ho Chi Minh City, is subject to daily interruptions, which have adverse effects on industrial and agricultural production. The situation is rapidly deteriorating, since the equipment, most of

which was installed many decades ago, is in urgent need of repair and rehabilitation. Furthermore, the power generating capacity of the country needs to be expanded to cope with the increasing demands of the economy. The Government has requested UNDP assistance to rehabilitate power generation capacity in Hanoi and Ho Chi Minh City. Estimated UNDP contribution: $3.5 million. Estimated Government contribution: 1 million Dong. Estimated duration: three years.

C. Industrial Development

53. Viet Nam's industry has suffered heavy damage, and the growth rate of industrial production has slowed down considerably. The most immediate concern in 1975 was to reconstruct damaged or destroyed industrial units and to reassemble into larger production units those industries in the north which had been divided into small units. This process has been advancing, but doing so slowly due to limited facilities.

54. Heavy industry will continue to be developed to accelerate the exploitation of raw materials, to produce intermediate products needed by the light consumer goods industry and to service agriculture by providing it with tools and machinery. Immediate emphasis will be on the engineering industry. Other priority areas are the chemical, electronic and metallurgical industries.

55. The light consumer goods industries will be rehabilitated and expanded. Particular attention will be given to industries based on domestic raw materials producing essential consumer goods for local consumption and export, as well as to industries producing spare parts for agricultural and industrial machinery. In general, the needs of the rural areas (fertilizers, agricultural tools and basic consumer goods) are being given priority. Handicrafts and small scale industries are also considered important.

56. The Government plans to promote the development of regional and local industries, including agro-industries, with a high degree of autonomy. Efforts have also been undertaken to improve management practices with emphasis on efficiency and cost-consciousness rather than only on physical production targets and on material incentives for industries and individual workers. It is expected that in the long run Viet Nam's substantial and diversified resource base and the availability of a pool of labour at low cost will be major assets for industrial development.

Projects

57. Ceramic Insulators. The Ministries of Light Industry and Mechanical Engineering and Metallurgy wish to use the country's ample reserves of kaolin to produce a number of essential small items such as ceramic high-voltage insulators for electricity transmission and for electronic products. At present, these items have to be imported. Research on the qualities and potential of the raw material will also be performed. Estimated UNDP contribution: $500,000. Estimated Government contribution: 1.2 million Dong. Estimated duration: three years

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58. Loom Shuttles. To supply the textile mills, 900,000 loom shuttles are required annually. At present these are all imported, but suitable varieties of hardwoods are available locally. The Ministry of Light Industries therefore wishes to perform research on the raw materials and on treatment and processing methods and to establish pilot production. Estimated UNDP contribution $1 million. Estimated Government contribution: 500,000 Dong. Estimated duration: four years.

59. Electromagnetic Materials. This project aims at undertaking research and pilot production of electromagnetic products. The raw material (iron) is available locally and a number of small industries are manufacturing electronic products requiring this type of material. A reserach laboratory and pilot plant are planned by the Ministry of Mechanical Engineering and Metallurgy. Estimated UNDP contribution: $700,000. Estimated Government contribution: 1 million Dong. Estimated duration: two years.

60. Laboratory Chemicals. The Ministry of Materials through its Technical and Scientific Materials Company, intends to undertake pilot production of selected standard laboratory chemicals such as organic and inorganic acids and bases, reagents and absorbents. Estimated UNDP contribution: $1 million Estimated Government contribution: 500,000 Dong. Estimated duration: four years.

61. Scientific Glass Products. The Ministry of Materials wishes to start local production of glassware for laboratory use and possibly of precision measuring instruments such as thermometers, which are now imported. Estimated UNDP contribution: $500,000. Estimated Government contribution: 400,000 Dong. Estimated duration: two years.

62. Acetylene. The General Department of Industrial Chemistry wishes to undertake production of acetylene on a pilot basis with a view to local production of this chemical which is of great importance for agricultural and industrial uses, such as the production of plastics. Acetylene now has to be imported, but the raw materials for its production - calcium and anthracite - are available in the country. UNDP is requested to co-operate in establishing a laboratory and pilot plant. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 3 million Dong. Estimated duration: three years.

63. Indigenous Medicines. The Ministry of Health is planning to undertake research followed by pilot production of traditional and modern medicines using indigenous plants. With its luxuriant vegetation and various climates, Viet Nam possesses a wealth of suitable plant material. An Institute of Materia Medic was established in 1961, and a number of studies have been carried out. This Institute needs to be strengthened to improve its research and start pilot production of a number of medicines. Estimated UNDP contribution: $1.8 million. Estimated Government contribution: 2 million Dong. Estimated duration: four years.

64. Assistance to the Food Canning Industry. A number of Viet Nam's agricultural products are well suited for canning for domestic consumption and export. The industry, however, faces a number of technical problems, the most serious of which concern the protective coating of tinplate and the sealing compound, which does not provide adequate tightness of seams. These are aggravated by deficiencies in the

manufacture of cans and covers and in the selection of varnish and sealing compound. Tinplate and varnish are not regularly tested, nor are they selected and applied according to the products to be canned. The Ministry of Food and Food Industries intends to establish facilities for testing tin plate, varnish, sealing compounds, and canned products and to set up a pilot plant for varnishing. Estimated UNDP contribution: $1 million. Estimated Government contribution: 1 million Dong. Estimated duration: four years.

65. Research and Production of Di-electric Materials. The Ministry of Electricity and Coal wishes to establish the capability to test high tension insultation materials and to undertake studies toward the local production of various di-electric materials, which correspond with the specific requirements of the country, through its Institute for Scientific and Technical Research on Electricity. Estimated UNDP contribution $1.6 million. Estimated Government contribution: 2 million Dong. Estimated duration: three - four years

66. Fibre Research. The tropical climate of Viet Nam favours a number of natural textile fibres including cotton, jute, silk, pineapple straw, hemp, etc. So far only limited exploitation of these crops has taken place and at present 90 per cent of locally produced textiles is made from imported materials. The Government therefore wishes to initiate research on the qualities, technical characteristics and potentiality of local fibres, as well as feasibility studies for textile production, with the eventual objective of reaching self-sufficiency. This is to be followed by a concerted plan of exploitation and production over a number of years. Estimated UNDP contribution: $1 million. Estimated Government contribution: 700,000 Dong. Estimated duration: four years.

67. Standardization and Quality Control. Within the previous Country Programme, the project (VIE/76/013) was started to reinforce the Institute of Standardization and Quality Control in Ho Chi Minh City. The State Committee for Science and Technology now requests an extension of this project to further reinforce significant departments of the Institute. Specific attention is to be paid to supporting laboratories in Hanoi as part of an integrated system. Estimated additional UNDP contribution: $1.2 million. Estimated Government contribution: 2 million Dong. Estimated duration: two years.

68. Rehabilitation and Modernization of Sugar and Rice Mills. Rice and sugar form part of the staple diet in Viet Nam. Many of the rice and sugar mills operate at reduced capacity as machinery is worn out and parts are not available. UNDP is requested to help rehabilitate and modernize some mills, which will serve as models for training and introduction of modern technology and maintenance and repair techniques. Some processing phases are to be redesigned and local personnel trained. Estimated UNDP contribution: $3 million. Estimated Government contribution: 2.5 million Dong. Estimated duration: three to four years.

69. Rehabilitation and Modernization of Textile and Paper Mills. A number of factories in the south, which produce textiles and paper mainly for local consumption are faced with enormous technical difficulties. In some mills production has halted, while others have seen their output sharply reduced. In

addition, the quality of the finished products has in general declined. The reasons for these deficiencies are inadequate facilities for repair, maintenance and the production of spare parts. Obsolete and worn out machinery is running far below capacity and is unable to meet quality and precision standards. The situation is rapidly deteriorating. The Government intends to restore the quality and production capacity of these mills and requests UNDP assistance for these purposes. Estimated UNDP contribution: $3 million. Estimated Government contribution: 3 million Dong. Estimated duration: up to three years.

70. Establishment of a Repair and Maintenance Centre for Optical and Electronic Equipment. A great number of optical and electronic instruments now essential in everyday use are in urgent need of repair, maintenance or calibration. The Ministry of Materials has asked for UNDP assistance to create repair and maintenance centres for such instruments in Hanoi and Ho Chi Minh City. Estimated UNDP contribution: $1.4 million. Estimated Government contribution: 1 million Dong. Estimated duration: three to four years.

71. Production of Bakers' Yeast in Hanoi. A small unit of a bakery and noodle factory annually produces 15 tons of yeast which is impure, too humid and hygienically unsatisfactory. There are no facilities to use the by-products. By 1985 the demand for bakers' yeast will amount to some 250 tons annually. The buildings and power supply are available to expand the unit, and support has been requested to this end. Estimated UNDP contribution: $500,000. Estimated Government contribution: 300,000 Dong. Estimated duration: two years.

72. Assistance to the Alarm Clock Factory in Hanoi. The factory established in 1975, is planning to increase its production from 10,00 to 200,000 clocks between 1981 and 1985 and to produce all components itself. To this end technical assistance is needed. Estimated UNDP contribution: $750,000 Estimated Government contribution: 1 million Dong. Estimated duration: three years.

73. Assistance to a Factory for Ready-made Clothing in Hanoi. The X.40 garment factory was established about 20 years ago with an average yearly production of 1.5 million pieces, (shirts, trousers, overalls, etc.). The main part of its production is sold locally. However, material received from abroad is re-exported after conversion into ready-made garments. UNDP assistance is needed to help the factory increase its production to 5 million units by 1985. Estimated UNDP Contribution $1.5 million. Estimated Government contribution: 1 million Dong. Estimated duration: three years.

74. Pilot Plant for the Small-scale Production of Refined Kaolin and Ceramics Products from Kaolin. The Government, through the Ministry of Light Industries, is anxious to expand the production of household china of good quality for local consumption. Kaolin is in abundant supply, but the manufacturing facilities and technical know-how are lacking. The Ministry therefore intends to set up in Hai Duong a pilot plant with UNDP assistance to carry out research, refine kaolin, and produce ceramic items. Based on the experience gained from such small-scale experimental production, plans will be drawn up for the establishment of large-scale manufacturing plants. Estimated UNDP contribution: $1 million. Estimated Government contribution: 1.2 million Dong. Estimated duration: three to four years.

D. Science and Technology

75. The application of science and technology to development is a subject to which the Government attaches the utmost importance. The country will utilize to the fullest the services of its intellectuals, and particularly its relatively abundant technical cadres. Scientific and technical progress will be stimulated through education of the masses in science and technology and their participation in grassroots establishments concerned with the application of technology. The application of science and technology will focus on producing solutions to the principal economic development problems. Thus it will ensure the vigorous development of agriculture, for instance, by producing improved crop strains and animal breeds and will contribute significantly to the development of forestry, fisheries and the engineering industries and to the production of consumer goods. It will help overcome difficulties in raw materials and energy, raise the quality of products, increase exports, boost the construction of capital goods and develop communications and transport

Projects

76. Scientific and Technological Information. In view of the country's relative isolation from many recent scientific and technological developments, the Government places high priority on establishing a system to receive and process information in this vital area. It therefore requests UNDP to co-operate with the State Committee for Science and Technology in the strengthening of its national and technological information and documentation centre and patent service. The latter will help connect the country with various international information networks and process incoming information to make it available to production, research and management establishments in the country. Estimated UNDP contribution: $1.5 million. Estimated Government contribution: 4 million Dong. Estimated duration: three years.

77. Engineering Technology. To assist in the introduction of new research and production methods for mechanical engineering industries, the Government has recently established an Institute of Engineering Technology, which will provide technical assistance to the various industries in this field. The Institute requires strengthening. Estimated UNDP contribution: $500,000. Estimated Government contribution: 500,000 Dong. Estimated duration: three years.

78. National Centre of Metrology. The Centre is responsible for managing the national system of standards but lacks the necessary facilities. UNDP assistance is required to maintain a unified metrological system compatible with the international system and to assist regional centres and economic and scientific research organizations in Viet Nam. Estimated UNDP contribution: $750,000. Estimated Government contribution: 1 million Dong. Estimated duration. two years.

79. Research on Sources of Protein. To help remedy the considerable shortage of protein in the Vietnamese diet, a research programme has been conceived by the National Academy of Science. The programme will seek to improve the effective use of existing sources of protein, perform research into potential new sources such as wild leguminous plants and study the problem of nitrogen fixation, especially in

azolla. The cultivation of algae and the use of biomass are also to be studied. Estimated UNDP contribution: $500,000. Estimated Government contribution: 2 million Dong. Estimated duration: three years.

80. Environmental Protection Research. The influence of Viet Nam's particular climate and geographical conditions on its environment, the increased use of chemicals in agriculture and industry and the widespread destruction of the environment during the war have stimulated awareness of the importance of environmental protection. A chemical research unit has therefore been set up by the National Academy of Sciences to study the water and atmospheric environment, perform environmental monitoring and recommend concrete measures to combat water and atmospheric pollution. Estimated UNDP contribution: $750,000. Estimated Government contribution: 2.4 million Dong. Estimated duration: three years.

81. New Methods in Chemical Analysis. The Institute of Physics of the National Academy of Sciences has established a laboratory which seeks to employ various physical analytical methods for determining the concentration of chemical elements in different substances. UNDP is requested to support a programme which will develop neutron activation analysis, radiochemical methods, X-ray fluorescence analysis, luminescence and absorption spectrometry. This programme is expected to be of use in agriculture, medicine, and geology. Estimated UNDP contribution: $500,000. Estimated Government contribution: 3 million Dong. Estimated duration: three years.

82. Typhoon and Flood Forecasting. The Mekong and Red River Deltas, which are the most populated and principal food producing areas, are both subject to complicated weather phenomena. Typhoons and floods occur annually, causing great hardship and food losses. The forecasting of these phenomena is the responsibility of the Hydrometeorological Service. UNDP has been asked to help set up a typhoon and flood warning station which will enable the service to collect and interpret hydrometeorological data. Estimated UNDP contribution: $800,000. Estimated Government contribution: 2 million Dong. Estimated duration: three years.

83. Assistance to the Hanoi Teacher Training College. The Department of Biology and Agronomy of the Hanoi Teacher Training College consists of three assistant professors, 29 teachers with academic qualifications and 100 students. The Department plans to upgrade training aimed at increasing crop yields and improving animal breeding . To reach these objectives, the Department requires strengthening in the field of microbiology for plant breeding and animal breeding and in bio-chemical genetics and immuno-genetics. Estimated UNDP contribution: $500,000. Estimated Government contribution: 300,000 Dong. Estimated duration: one and one half to two years.

84. Assistance to the Linguistics Institute, Hanoi. The relative isolation of recent years has led to a lack of contacts between Vietnamese researchers and scientists and their colleagues in many parts of the world. One consequence is a serious deficiency in the knowledge of international languages. The Ministry of Tertiary Education and Technical Secondary Education has requested UNDP assistance for the Linguistic Institute in scientific and technical language training. Estimated UNDP contribution: $200,000. Estimated Government contribution: 300,000 Dong. Estimated duration: two years.

E. Transport

85. The topography of Viet Nam and its recent history have shaped the present transport pattern. There are well-established networks of road and waterway traffic in the two Deltas, supported by air services between the main cities. The essential north-south links are still weak and the strengthening of the air, sea, rail and road systems between these two areas is being given much attention by the Government.

86. High priority is being accorded to the rehabilitation of the 2,500 kilometre railroad network, much of which was destroyed during the war. The main link between Hanoi and Ho Chi Minh City is undergoing an extensive programme of repair with the help of bilateral assistance. New production and repair facilities, essential to the maintenance and upgrading of railway equipment are being constructed.

87. Inland waterways and coastal shipping are very important in a country with such extensive networks of rivers and canals and a long coastline. The main problems are the silting of navigable rivers and canals and inadequate dredging, as well as the insufficient number of vessels and port facilities, many of which have been destroyed.

88. The existing air services are used intensively, particularly between the north and the south of the country, but with a limited amount of equipment and trained personnel. In the previous cycle, substantial UNDP assistance was provided in this respect.

89. The road network is to be reinforced, particularly in the rural areas and especially in the south.

Projects

90. Repair and Maintenance of Diesel Locomotives. The Viet Nam Railways are of paramount importance for the transport of passengers and goods. Due to excessive wear and tear and lack of repair facilities and spare parts, more than 50 per cent of all diesel locomotives are out of commission. The transport capacity of the trains has been further reduced by excessively low speeds due to reduced locomotive capacity and weakened tracks and bridges. The repair and maintenance workshop at Ho Chi Minh City is unable to cope with the progressively increasing needs for its services, since its equipment and tools are obsolete and worn out and lack the necessary efficiency and precision. The Ministry of Transport and Communications therefore requests UNDP assistance for the restoration, modernization, and expansion of the workshop. Estimated UNDP contribution: $2 million. Estimated Government contribution: 1 million Dong. Estimated duration: two to three years.

91. Repair and Maintenance of Public Transport Vehicles in Ho Chi Minh City. Ho Chi Minh City has about 8,000 public transport vehicles (mostly buses and trucks). Practically all of them are from western market economy countries, and all without exception are more than five years old. The workshops for the upkeep of this fleet have at their disposal rudimentary equipment which can cover only a fraction of

existing needs, both quantitatively and qualitatively. In addition, the services in question are devoid of all key spare parts, which cannot be produced locally. It is feared that if no urgent measures are taken, all 8,000 vehicles will be out of commission in a few years. Faced with this critical situation, the Ministry of Transport and Communications has requested UNDP assistance to strengthen the existing workshops. Estimated UNDP contribution: $1 million. Estimated Government contribution: 1 million Dong. Estimated duration: two to three years.

92. Improvement of Seaports. Viet Nam's long coast makes shipping a very important mode of transport, which the Government is anxious to develop. The Ministry of Transport and Communications intends to carry out a programme of research and experimentation aimed at expanding the capacity of the Cua Hoi-Cua Lo seaport in Nghe Tinh province and at clearing the country's main port at Haiphong from silt accumulated during more than thirty years. Haiphong's greatly reduced capacity due to silting is a major constraint to foreign trade, particularly to the importing of supplies essential for development. The results and findings of the programme will be applied to similar work at other seaports along the coast. Estimated UNDP contribution: $8 million. Estimated Government contribution: 5 million Dong. Estimated duration: two to three years.

F. International Trade

93. Foreign trade has so far occupied a relatively minor position in the Vietnamese economy. During the next five-year period, however, the Government wishes to increase exports significantly to obtain the foreign exchange necessary to buy essential equipment and technology for development; trade relations with countries of various economic systems are to be expanded.

94. As of 1980, exports consist of agricultural products, seafood, forest products, light industrial consumer goods, fine art and handicraft articles, ready-made clothes, woolen and jute carpets and some mineral ores, coal and rubber. Imports consist of new equipment and materials necessary for the development of production. Trade relations are mainly with socialist countries. The balance of payments remains weak with a considerable negative trade balance each year.

Project

95. Trade Information and Quality Control. To improve the position of Vietnamese exports, the Ministry of Commerce has requested UNDP co-operation in the strengthening of its trade information service and in quality control. The latter functions in co-operation with the Institute for Standardization and Quality Control, which receives UNDP assistance under the project (VIE/76/013). Estimated UNDP contribution: $1 million. Estimated Government contribution 500,000 Dong. Estimated duration: two years.

IV. RELATIONSHIP WITH ACTIVITIES AT THE INTERCOUNTRY AND GLOBAL LEVELS

96. Viet Nam's participation in UNDP programmes effectively started in 1978. Since then the main focus has been on the Country Programme, with active participation in only a few regional projects. During the new programming period, however, it is expected that the Government will wish to be involved in an increasing number of regional and subregional projects, especially those in the Indo-Chinese region.

97. At this time, Viet Nam is a member of the Interim Mekong Committee and participates actively in its work. A number of missions of the Committee secretariat have visited Viet Nam to help plan and implement international support for irrigation projects in the Mekong Delta.

98. The Government has also shown interest in regional projects in such fields as advanced civil aviation training, insurance education, training of rice workers and development of telecommunications and transport, in particular of railways and inland and coastal shipping. Viet Nam is participating in various training projects executed by the Economic and Social Commission for Asia and the Pacific (ESCAP) covering such areas as statistics, planning, small scale industries, rural electrification and inland waterways administration. It participates regularly in seminars and other meetings arranged by various United Nations Organizations.

99. At the global level, Viet Nam has shown interest in establishing contacts with international research and training institutions, such as those supported by the Consultative Group on International Agricultural Research. Contacts are already active with the International Rice Research Institute.

V. SIGNIFICANT FEATURES OF THE COUNTRY PROGRAMME

100. The Second UNDP Country Programme occupies an important place in the total array of co-operation efforts between Viet Nam and other countries and organizations. The Government sees the Programme as an important means for the transfer of technology, particularly from those countries with which it has no, or only limited, programmes of co-operation.

101. In all cases the modalities for the transfer of technology will be adapted to the particular needs of the country. The relatively abundant technical personnel need to be exposed to recent technological developments elsewhere. Furthermore, due to widespread destruction, neglected maintenance, and the disruption of ordinary economic development over thirty-five years, almost everywhere there is a lack of equipment, spare parts, and repair and maintenance facilities. As a result, it is almost impossible to provide basic everyday services reliably and properly, similarly, the productive capacity of industry is very low and continually deteriorating. Therefore the Government intends to restore and expand its productive capacity with appropriate inputs for development from the United Nations system under the UNDP Country Programme. The emphasis on the transfer of technology corresponds to one of the principal directives of Government, namely, to promote research and development, to apply technical innovations and to enhance the spirit of self-reliance. The present Country Programme has been placed squarely in the service of this objective.

102. The Programme consists of a relatively limited number of large-scale projects. Most of the projects have been conceived to produce concrete results within a few years' time. In the field of industry, in particular, projects are of a pilot nature and need to be followed by investment to initiate commercial production.

103. As was the case in the previous Programme, UNDP assistance is concentrated in a relatively few sectors, namely agriculture, natural resources and industry. Development priorities are mainly focused in these areas and they are, in the Government's view, the ones in which UNDP projects can have maximum impact.

104. The Country Programme consists almost entirely of new projects: of the total of 59 projects, 54 are new, while 5 are Phase II follow-ups to projects started under the first Country Programme. The latter represents only between 4 and 5 per cent of the total amount programmed.

105. A limited number of projects in the first Country Programme could not be completed as planned and will thus continue into the new Programme. All these projects are scheduled to end in 1982. Implementation was delayed in many cases by inadequate facilities for receiving UNDP inputs. The arrival of equipment had therefore to be delayed, which led in turn to delays in programmes of consultancies and training. In the preparation of the new Country Programme, the question of absorptive capacity has been given close attention. It will be considered in detail in the formulation of each project in order to provide a realistic time frame for implementation. The execution of some projects was also delayed by the late delivery of equipment and slow recruitment of technical specialists. Particular attention will have to be given to these problems by future preparatory missions. Finally, it was found that in the first Country Programme some projects were simply too large for the counterpart agencies to administer. This has been taken into account in the new Programme: larger projects have only been proposed where an adequate absorptive capacity exists.

Financial Summary

I. Resources taken into account for programming

Resources available	($000)
(a) IPF resources for 1982-1986	94 400 a/
Total resources taken into account for programming	94 400

II. Use of resources

	($000)
1. Programmed (all sectors)	
(a) Ongoing projects	1 090
(b) New projects included in the Country Programme	90 410
(c) Earmarked for specitic objectives and activities for which projects are to be worked out at a later stage	-
2. Reserve	2 900
Total resources programmed	94 400

III. Sectoral Distribution

	($000)
Natural resources	19 600
Agriculture, forestry and fisheries	29 800
Industry	23 700
Transport and communications	11 000
International trade	1 000
Health	750
Education	200
Science and technology	4 300
	90 350
Expenditures on projects in first Country Programme	890
Programming missions	260
Reserve	2 900
Total	94 400

IV. Distribution by function

	($000)
Institution-building	62 750
Pilot activities	10 000
Direct support	17 600
Expenditures on projects in first Country Programme	890
Preparatory missions	260
Reserve	2 900
Total	94 400

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a/ This amount remains after setting aside 20% of the illustrative IPF of $118 million.

UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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GOVERNING COUNCIL
Twenty-eighth session
June 1981
Agenda item 6

Country and intercountry programmes and projects

COUNTRY PROGRAMME OF THE GOVERNMENT OF VIET NAM

Note by the Administrator

Programme period	Illustrative IPF for 1982-1986
1982-1986	$118 million

I. Nature of the programming exercise

1. Preparation for the second Country Programme for Viet Nam started in early spring of 1980, shortly after the first Country Programme, covering the period 1977-1981, had been finalized for submission to the Governing Council at its twenty-seventh session. Following initial consultations between the Government and the Resident Representative, all the Specialized Agencies were consulted as to proposals for inclusion in the programme. For the two main sectors of agriculture and industry, programming missions were fielded in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO), while for the natural resources sector advantage was taken of advice available in Viet Nam. The proposals made in the field of science and technology were too disparate in nature to permit the fielding of an overall sectoral mission.

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*/ This document will be derestricted upon approval of the Country Programme. See document DP/526 which will be issued in June 1981.

2. The projects included in the present programme were selected by the Government, in consultation with the Resident Representative, from the extensive list of proposals put forward during the programming exercise. It was agreed that in most cases preparatory missions would be needed for detailed project formulation. The amounts and durations given in the project descriptions are purely indicative; they will be revised in the light of the detailed review and conclusions of the missions, which are to be fielded during 1981 in order to permit project operations to start early in the programming cycle.

II. Relation of the Country Programme to national development objectives

3. The period covered by the Country Programme coincides largely with that of the National Development Plan for 1981-1985. While the Plan had not yet been formally adopted when the Country Programme was being prepared, the main outlines were known. The fundamental objective of the Government is to increase the standard of living of the population. The priorities of the Plan will therefore be to:

(a) Expand agricultural production to guarantee the food supply;

(b) Increase the production of clothing and essential consumer goods;

(c) Develop energy production (electricity, coal, petroleum, gas);

(d) Develop the production of raw materials and spare parts;

(e) Produce more and better goods for export;

(f) Improve the communications network and the management of transport;

(g) Increase the efficiency of scientific research and development and the application of its results to production;

(h) Develop culture, education, health work, family planning; reform teaching; train and use as best as possible scientific and technical staff; and

(i) Improve management in general and industrial management in particular. UNDP assistance is concentrated on food production, consumer goods industries, energy, transport, the increase in efficiency of scientific research and development and application of its results to development problems. The assistance thus corresponds fully to the main development priorities of the Government.

4. Viet Nam receives considerable bilateral development assistance, particularly from the Union of Soviet Socialist Republics (USSR) and other socialist countries. The co-ordination of assistance from different sources is carried out by the Government, which sees UNDP assistance as an important means for the transfer of technology, particularly from those countries with which it has no, or only limited, programmes of co-operation.

5. A basic aspect of the Country Programme will be to help restore the country's existing infrastructure (be it agricultural, industrial, energy, or transport) to an operational state. Ordinary maintenance, modernization and development of the infrastructure have been severely disrupted for a generation. As a result, it is almost impossible to provide basic everyday services reliably and properly, while the productive capability of industry is very low and continually deteriorating. There is thus an immense task of rehabilitation and reconstruction in addition to new development. The country has made great efforts to train relatively abundant technical personnel; however they need to be exposed to the technological developments that have been taking place elsewhere. The main obstacle to development is a very severe lack of equipment and spare parts of all sorts, and of repair and maintenance facilities. The country's very exiguous foreign exchange resources have had to be largely devoted to food imports in view of the significant food deficit, which has been aggravated by a series of typhoons, floods, drought and insect ravages in recent years. The country is thus in an unusual development situation which requires a practical and imaginative response from UNDP.

6. The Governing Council will recollect that, in view of these circumstances, the 1977-1981 Country Programme approved at the twenty-seventh session foresaw an emphasis on the supply of technical and scientific equipment. This component amounts to approximately 80 per cent of the total approved IPF budgets for projects in the 1977-1981 Programme. Throughout the 1982-1986 programming exercise, the Administrator brought to the attention of the Government of Viet Nam the remarks made by members of the Council with regard to the emphasis on equipment. As a result, it has been agreed that, while the broad objectives and possible orders of magnitude of projects are given in the Country Programme document, formulation missions will be fielded to examine in detail the development problems for which UNDP assistance is being sought and to determine precisely what work is needed and what inputs required. The final shape of each project will thus be determined on the basis of the particular circumstances of each case, with due regard to providing assistance appropriate to the unusual development situation, in the spirit of New Dimensions, and in keeping with the basic purpose of technical co-operation. While the 1982-1986 Country Programme is expected to contain a significant proportion of equipment, in view of the project formulation process described above, it is not possible at this stage to state exactly what that proportion will be.

III. Content and phasing of the Country Programme

7. The second Country Programme consists of 54 new projects, the implementation of which will start during the 1982-1986 period, and the extension of five projects from the first Country Programme. Four of the extensions are Phase II projects, the objectives of which now include additional feasibility studies and the strengthening of further parts of Government institutes and services. In the fifth case, it was found necessary to provide limited further inputs in order to attain the original project objectives. These three categories represent 88.4, 7.1 and 0.2 per cent respectively of the resources available for programming; the balance is made up of the reserve (3.1 per cent), programming missions (0.3 per cent), and expenditure on projects from the first Country Programme (0.9 per cent). In addition to the identified Phase II projects a number of other projects from the

previous Country Programme are expected to spill over into 1982. It is thought that this may amount to a carry-over from 1981 to 1982 of some $4.5 million in both resources and commitments. The reasons for the delays in implementing these projects are that: (a) project activities did not effectively start until well into the second year of the Programme; and (b) the original time schedules proved to have been overly optimistic about the provision of inputs by the Executing Agencies and the Government. Particular attention will therefore be paid, when projects in the second Country Programme are formulated, to preparing realistic work programmes which will allow sufficient start-up time.

8. The timing of the implementation of the projects over the programming period will be determined by the Government and UNDP with regard to national priorities and the UNDP annual expenditure ceilings. The amounts shown in Table 2, part A; below are the annual ceilings as established by UNDP.

9. The sectoral breakdown of Programme resources and the phasing of the Country Programme are shown in the following tables:

Table 1

Sectoral breakdown of programmed resources

	Value ($000)	Per cent
Natural resources	19 600	20.8
Agriculture, forestry and fisheries	29 800	31.5
Industry	23 700	25.1
Transport and communications	11 000	11.7
International trade	1 000	1.1
Health	750	0.8
Education	200	0.2
Science and technology	4 300	4.5
Expenditures on projects in first Country Programme	890	0.9
Programming missions	260	0.3
Additional reserve	2 900	3.1
Total	94 400	100.0

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Table 2

Phasing of the Country Programme

A. Amounts programmed

Year	($000)
1982	16 992
1983	17 936
1984	18 880
1985	19 824
1986	20 768
Total	94 400

B. Resources taken into account for programming

		($000)
1	Resources available	
	(a) IPF resources	94 400 a/
	(b) All other resources managed by UNDP	-
2	Provision for adequate programming	-
	Total resources taken into account for programming	94 400

a/ This amount represents the illustrative IPF of $118 million, minus 20 per cent left unprogrammed.

IV. Recommendation of the Administrator

10. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP Country Programme for Viet Nam for the duration of its programme period within the limits of its Indicative Planning Figure for 1982-1986, taking into account the balance of over-expenditure or under-expenditure of its 1977-1981 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the Country Programme while ensuring, in accordance with the decision of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.

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